



Fleet Management Department

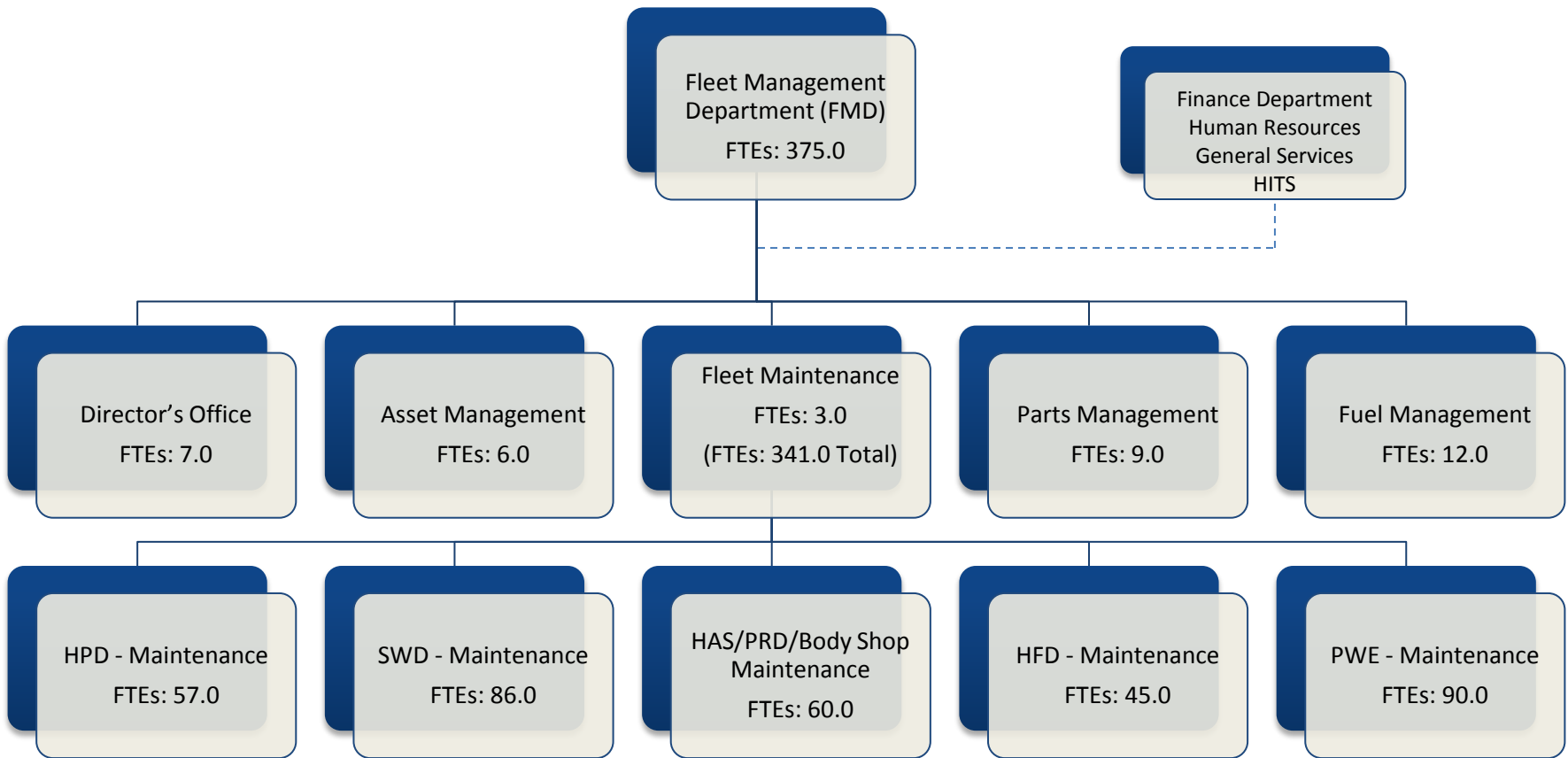
FY2015 Budget and Core Services Presentation

Kenneth H. Hoglund, P.E. - Director





Fleet Management Department Organizational Chart – FY2015





Fleet Management Department FY2014 Accomplishments



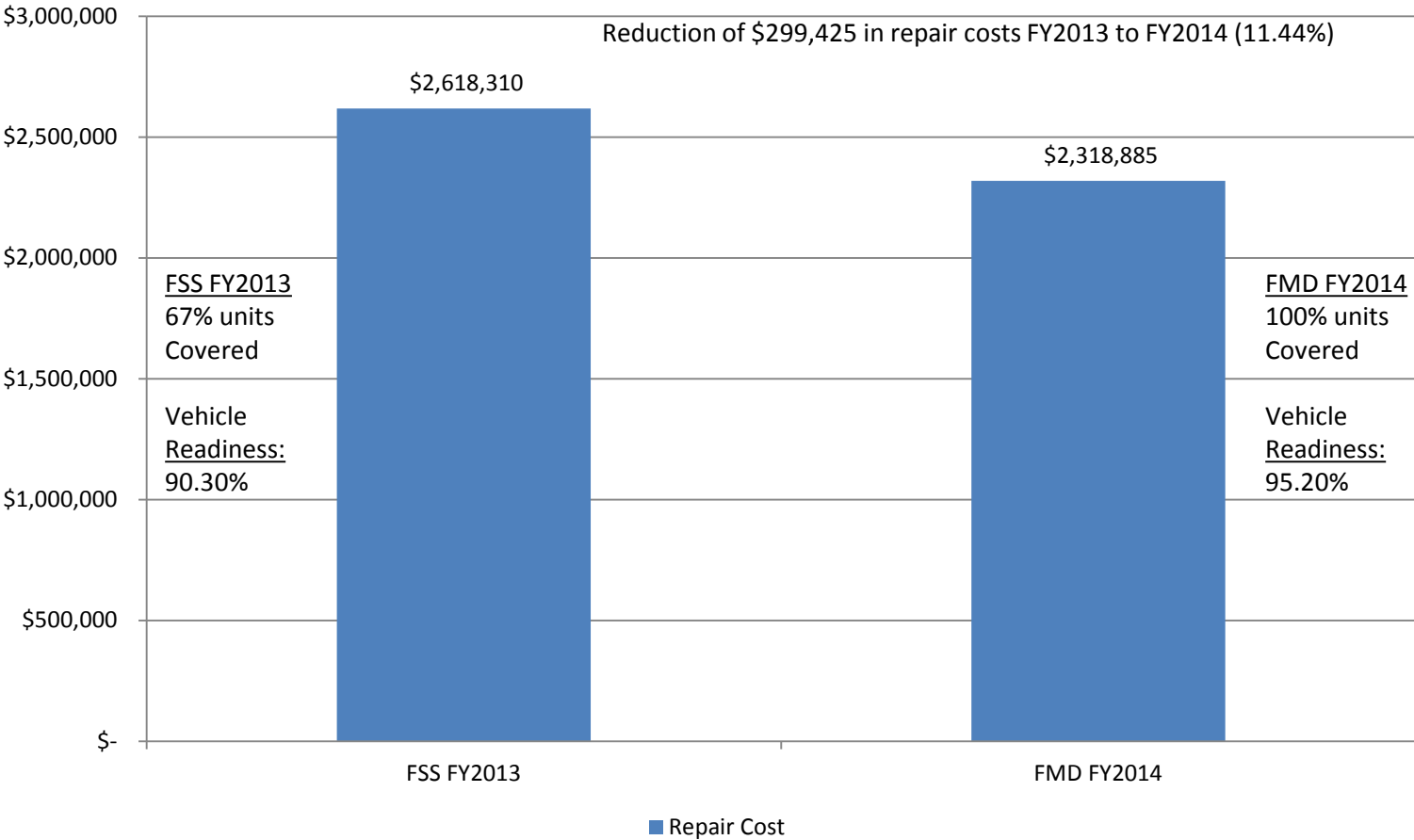
- The City of Houston Fleet Management Department has been recognized by Government Fleet Magazine as one of the 50 Leading Government Fleets for 2014.
- Completed Fleet Consolidation of the Houston Airport System and Public Works and Engineering Departments.
- The implementation of the 90 day Preventative Maintenance schedule for the Houston Fire Department has reduced unscheduled repairs, and has reduced maintenance cost by \$884,592 from (17.9%) FY13 to FY14.
- Provide repair training for Technicians on the latest vehicles and diagnostic equipment. Reduced labor repair cost per vehicle by 10.8% from FY12 to FY14.



Fleet Management Department FY2014 Accomplishments - HAS



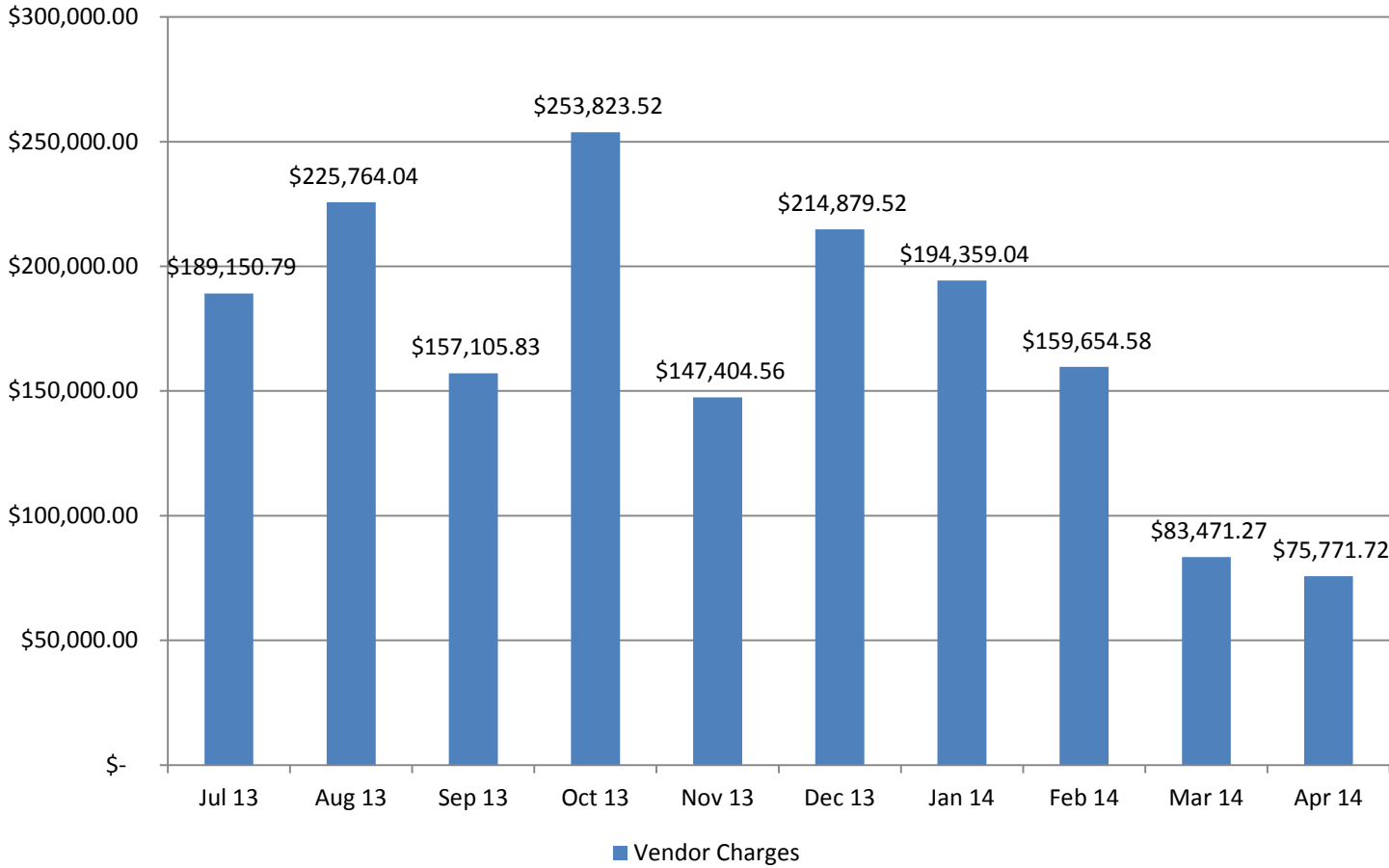
HAS Vehicle Repair Cost FY2013 vs. FY2014





Fleet Management Department FY2014 Accomplishments - PWE

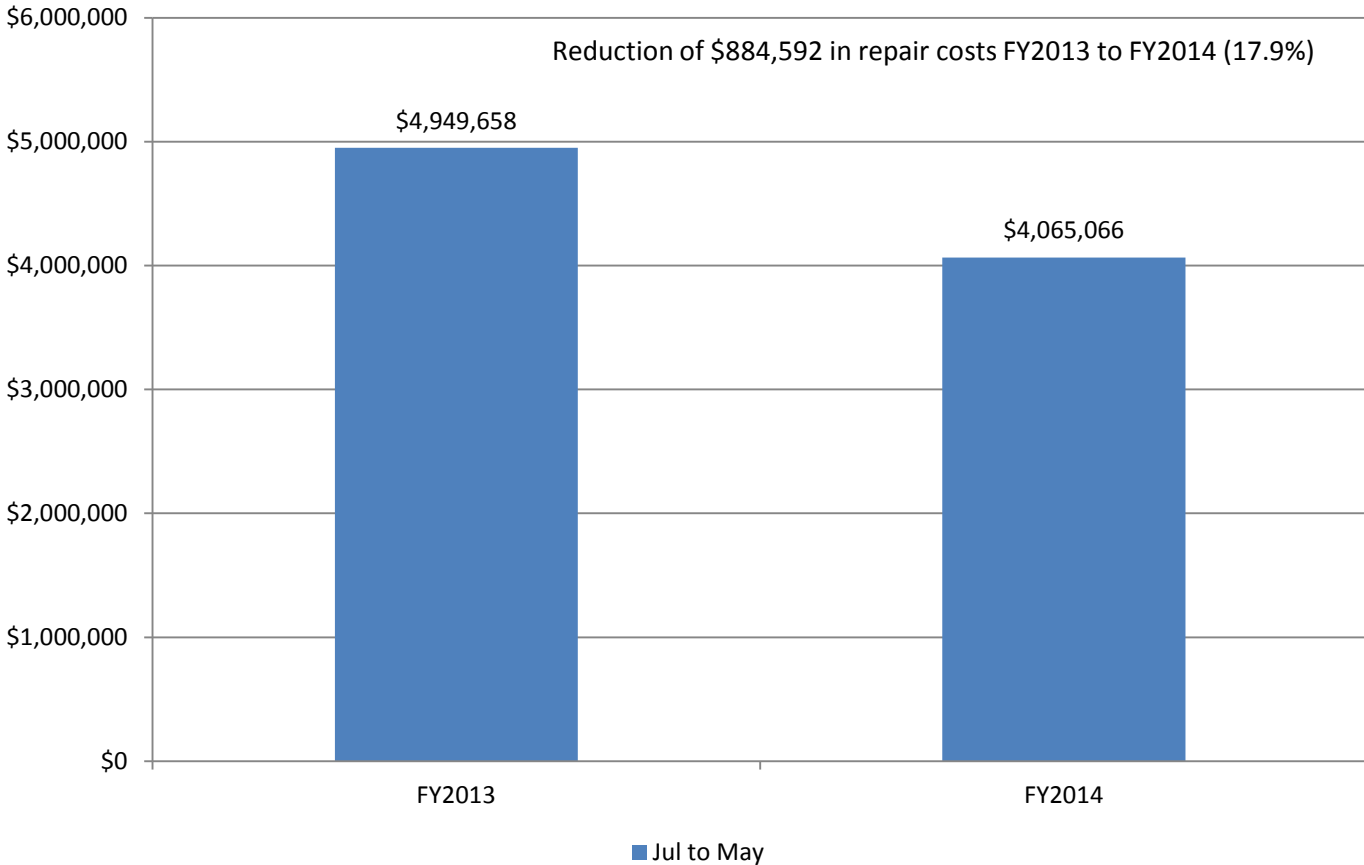
Total Outside Vendor Charges by Month FY14 (PWE-Maintenance)





Fleet Management Department FY2014 Accomplishments - HFD

HFD Engine & Ladder Apparatus Repair Costs FY2013 vs. FY2014





Fleet Management Fund 1005

(in millions)



Fund	Revenue FY14 Budget	Revenue FY15 Proposed	+/- \$/%	Expenditure FY14 Budget	Expenditure FY15 Proposed	+/- \$/%	Fund Balance FY14 Budget ¹	Fund Balance FY15 Prop. ¹
PWE - Fleet Management Fund 1005	\$11.3	\$0.0	-\$11.3 / -100.0%	\$11.3	\$0.0	-\$11.3 / -100.0%	\$0.0	\$0.0
FIN - Fleet Management Fund 1005	\$1.1	\$1.5	\$0.4 / 36.4%	\$1.1	\$1.5	\$0.4 / 36.4%	\$0.0	\$0.0
FMD - Fleet Management Fund 1005	\$82.9	\$98.8	\$15.9 / 19.2%	\$82.9	\$98.8	\$15.9 / 19.2%	\$0.0	\$0.0
Total - Fleet Management Fund 1005	\$95.3	\$100.3	\$5.0 / 5.2%	\$95.3	\$100.3	\$5.0 / 5.2%	\$0.0	\$0.0

1. The Fleet Management Fund 1005 is a service charge back fund, where all expenses of the department are charged backed to client departments based on service delivery, thus resulting in a \$ 0 .0 fund balance at year end.



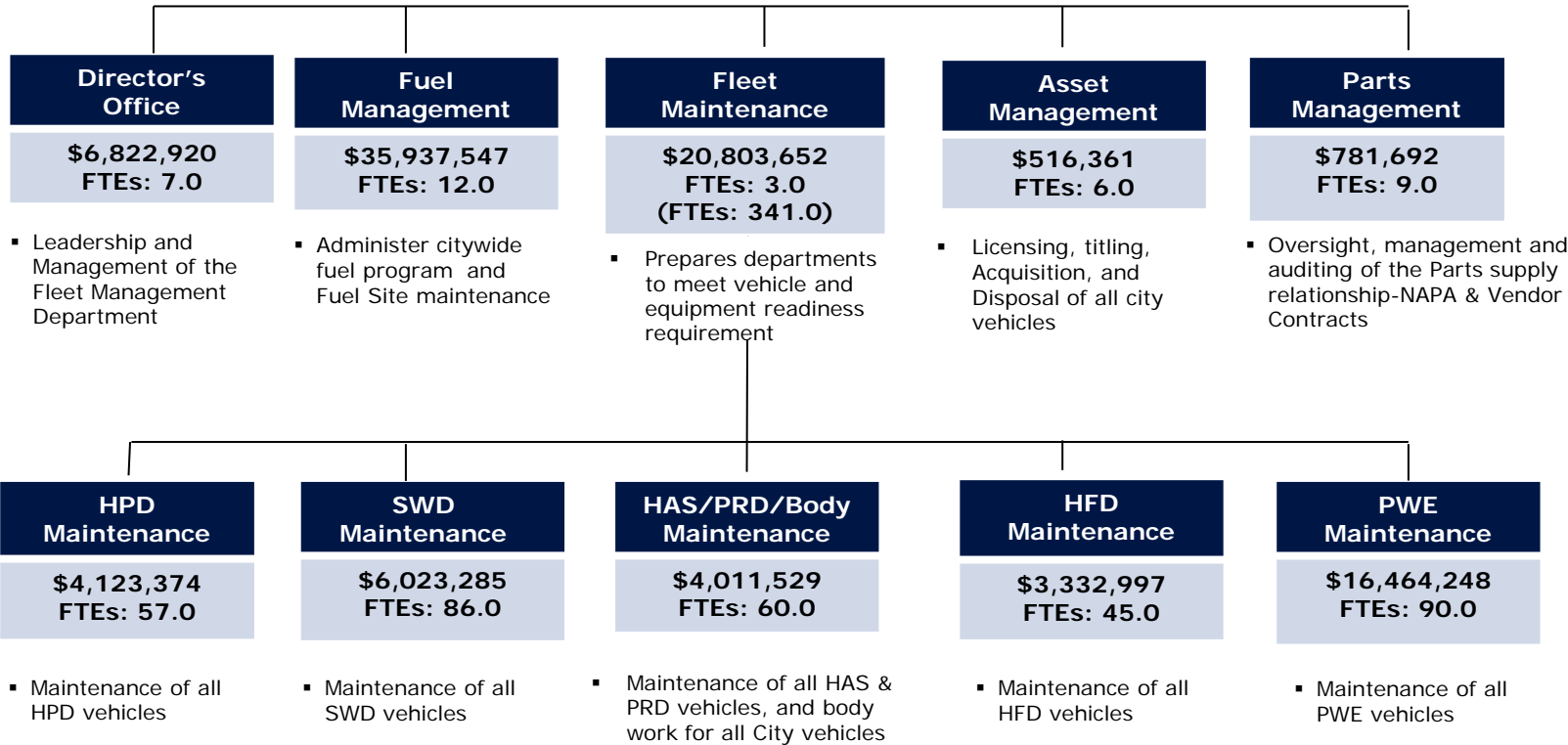
Fleet Management Fund 1005



Fleet Management Department, Kenneth Hoglund, P.E Director

\$98,817,605
FTEs 375.0

Finance Department
Human Resources
General Services
HITS





FY15 FMD Initiatives – (CNG)



- Compressed Natural Gas (CNG)
 - Purchased CNG Solid Waste Vehicle (Field Testing)
 - FY15 pickup truck purchases will have engines that can be converted to CNG or Propane
 - Identify funding for Maintenance Facility conversion for CNG vehicles (Approx. \$200,000 to \$500,000 per facility)
 - Apply for Grant Funding to build CNG Fueling Sites for the City of Houston and Public Use. (Public / Private Partnership)



FY15 FMD Initiatives - Propane



- Propane

- Purchased 3 pickup trucks and 8 mowers for Public Works & Engineering to run on propane.
- FY15 pickup truck purchases will have engines that can be converted to CNG or Propane
- Apply for Grant Funding for the conversion of pickup trucks and mowers for FY15.
- Establish contract for Propane with local supplier in FY15. Supplier will supply above ground tank and dispenser with no upfront cost for the City.



Total Expenditures by Fund



Fund	Expenditure FY13 Actual	Expenditure FY14 Budget	Expenditure FY14 Estimate	Expenditure FY15 Proposed	+/- \$/% FY14 vs FY15 ²	FTEs FY14 Budget	FTEs FY15 Prop.
PWE - Fleet Management Fund 1005	\$15.9	\$11.3	\$9.3	\$0.0	-\$19.3 / -100.0%	46.5	0.0
FIN - Fleet Management Fund 1005	\$0.3	\$1.1	\$1.1	\$1.5	\$0.4 / 36.4%	11.5	14.5
FMD - Fleet Management Fund 1005	\$71.5	\$82.9	\$82.9	\$98.8	\$15.9 / 19.2%	340.9	375.0
Total - Fleet Management Fund 1005	\$87.7	\$95.3	\$93.3	\$100.3	\$7.0 / 7.5%	398.9	389.5
2. FY14 Estimate vs. FY15 Proposed Budget expenditures							



FY2015 - Expenditure Impacts

- **Fleet Management Fund 1005:**
 - Personnel: 3% HOPE increase \$489,263
 - Personnel: Pension rate increase \$448,613
 - Fuel: \$699,312 (Cost \$3.30/gal to \$3.37/gal)
 - Parts: \$1,911,795 (9.1% increase)
 - Indirect Cost Recover \$2,001,897
 - Other Interfund Services \$2,311,213
 - Total FY2015 Impact: \$7,862,093



Total Revenues By Fund

(in millions)

Fund Name/ Number	FY13 Actual	FY14 Budget	FY14 Estimate	FY15 Budget	+/- \$/% FY15 Bud./FY14 Est.
PWE - Fleet Management Fund 1005	\$15.9	\$11.3	\$9.3	\$0.0	-\$9.3 / -100.0%
FIN - Fleet Management Fund 1005	\$0.3	\$1.1	\$1.1	\$1.5	\$0.4 / 36.4%
FMD - Fleet Management Fund 1005	\$71.5	\$82.9	\$82.9	\$98.8	\$15.9 / 19.2%
Total - Fleet Management Fund 1005	\$87.7	\$95.3	\$93.3	\$100.3	\$7.0 / 7.5%
<ul style="list-style-type: none">The Fleet Management Fund 1005 is a Cost Reimbursement fund. Revenues are charged to the Client Departments to meet expenditures. This results in Revenues equaling Expenditures.					



FY2015 - Revenue Impacts

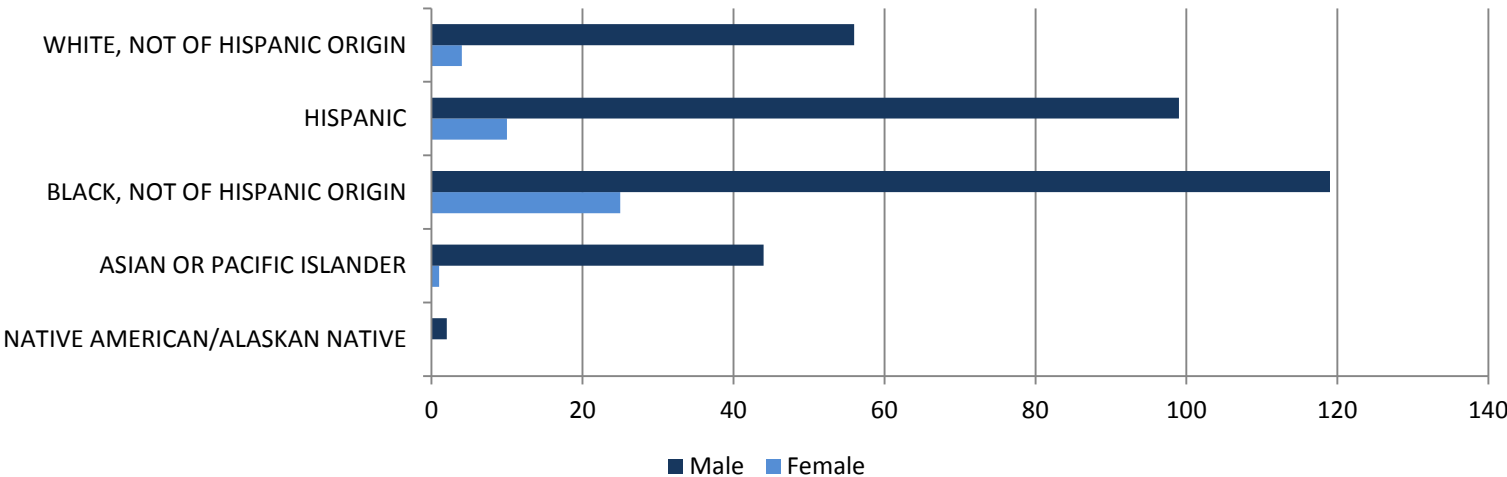
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Appendix-Demographics



Ethnicity	Gender	
	Female	Male
NATIVE AMERICAN/ALASKAN NATIVE	0	2
ASIAN OR PACIFIC ISLANDER	1	44
BLACK, NOT OF HISPANIC ORIGIN	25	119
HISPANIC	10	99
WHITE, NOT OF HISPANIC ORIGIN	4	56
TOTAL	40	320

Source: SAP @04/28/2014
Employee status: 359 full time, 1 part-time



Appendix-Core Services Matrix

FMD – FY 2015



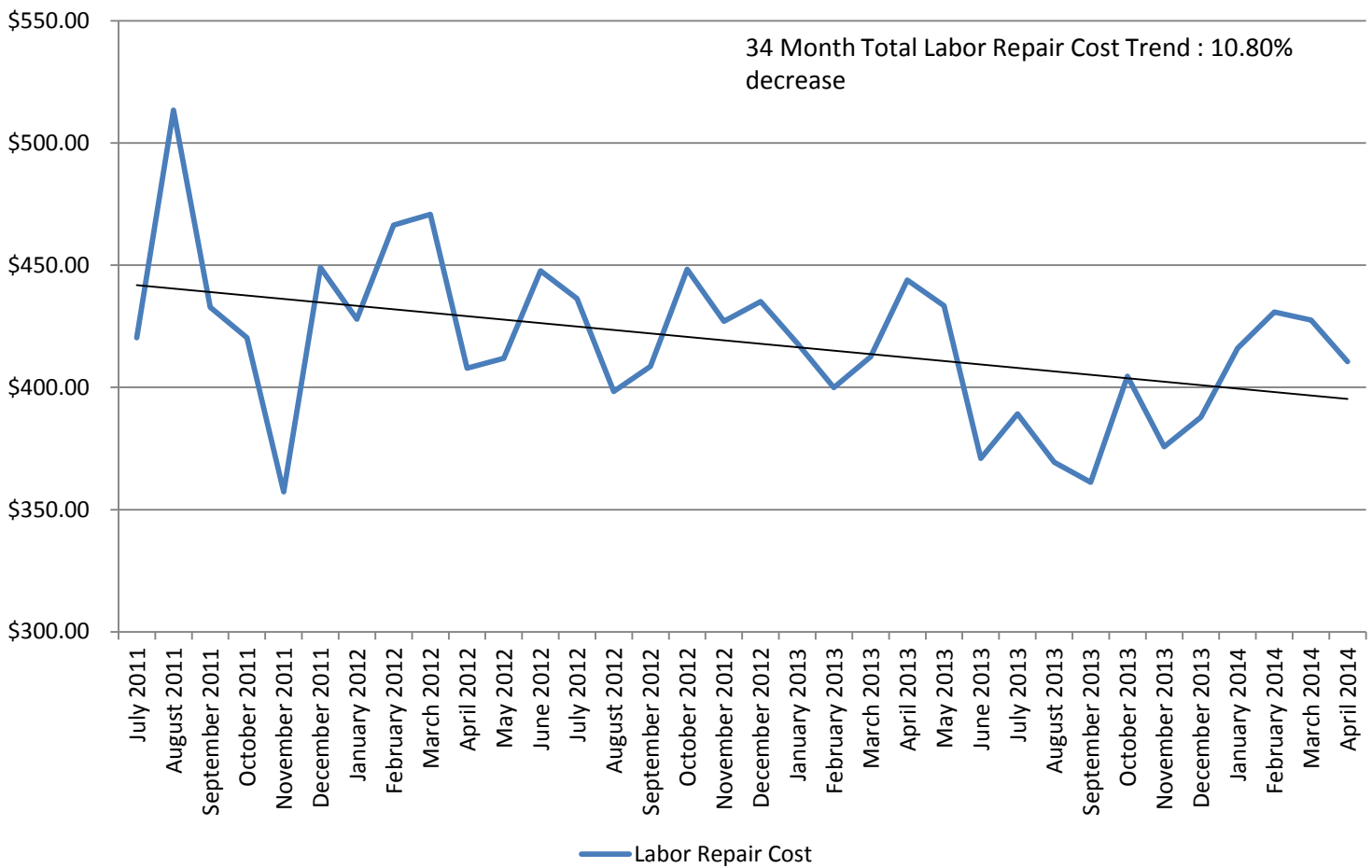
Activities	Annual Projected Personnel Cost	Annual Projected Supplies / Services/Capital Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Fund	Description
Director's Office	\$1,095,415	\$26,531,157	\$27,626,572	7.0	X		X	1005	Provides overall Leadership and Management of the Fleet Management Department.
Fuel Management	1,040,819	34,896,728	35,937,547	12.0	X	X		1005	Purchases of Fuel for the City and maintains Fuel sites.
Asset Management	512,411	3,950	516,361	6.0	X	X		1005	Licensing, Titling , Acquisition and Disposal of all city vehicles.
Parts Management	754,868	26,824	781,692	9.0	X	X		1005	Oversight, management, and auditing of the Parts supply contracts.
Fleet Maintenance	24,506,548	9,448,885	33,955,433	341.0	X	X		1005	Maintenance of all City vehicles.
TOTAL	\$27,910,061	\$70,907,544	\$98,817,605	375.0					



Appendix – FMD Labor Trends



Labor Repair Cost Per Vehicle - FY12 to FY14





Appendix-Fuel Cost Impact

Fuel Cost Impact FY2013 to FY2015			
Total Gallons	Total Gallons	Cost/Gal	Total Cost
FY13 Actual	10,215,832	\$ 3.22	\$32,880,814.00
FY14 Budget	10,368,255	\$ 3.26	\$33,800,511.00
FY14 Estimate	10,251,687	\$ 3.30	\$33,856,014.00
FY15 Budget	10,251,687	\$ 3.37	\$34,555,326.00



Appendix-Parts Cost Impact

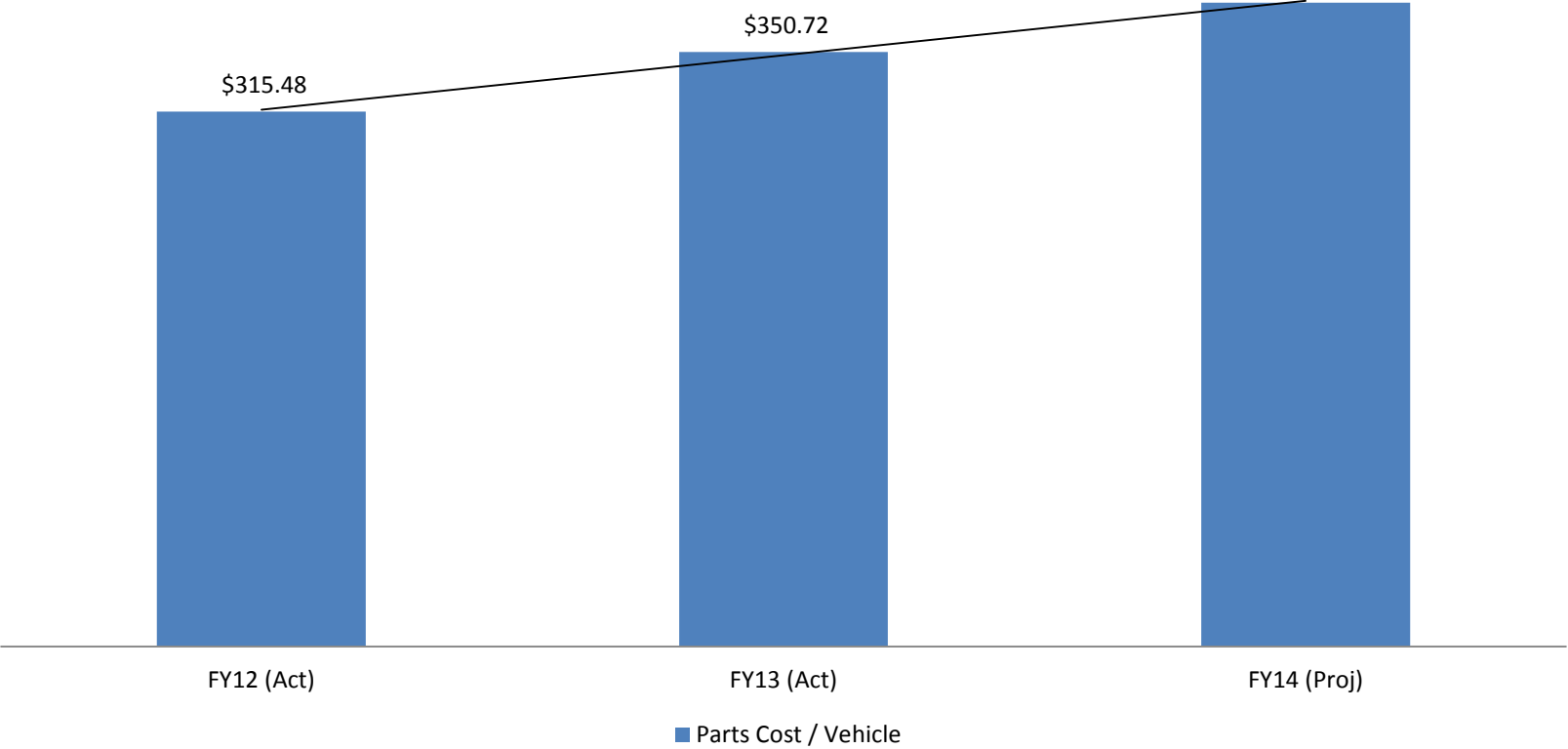
City of Houston Average Annual Parts Cost / Vehicle FY12 to FY14

Parts Cost / Vehicle linear cost trend FY12 to FY14: 9.1% increase

\$379.79

\$350.72

\$315.48





Appendix – FY2015 Impact



FY2015 Impact: Item 521305 Indirect Cost Recovery Payment. (XII – 30)

- Commit Item 521305 Indirect Cost Recovery Payment is the allocated portion of the City of Houston General Government Cost that is assigned to the Fleet Management Department to reimburse the General Fund for the services performed for Fleet Management Fund. This is the first fiscal year that Indirect Cost Recovery Payment is being charged to the Fleet Management Department.

FY2015 Impact: Item 522795 Other Interfund Services. (XII – 30)

- Commit Item 522795 Other Interfund Services is used for the chargeback process for Central Support Finance annual expenses of \$1,498,973, and the chargeback process of annual expenses of \$817,977 for the General Service Department to provide maintenance and repair services for the 9 Public Works and Engineering Maintenance Facilities that were transferred to the Fleet Management Department as a result of the PWE/Fleet consolidation in January 2014. This expense increase of \$2,316,950 is offset with increased revenue from the customer Departments of an equal amount.